

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

CEQUENT TRAILER PRODCUTS, INC.,

Plaintiff,

-vs-

Civil Action No.:
05-CV-0074 (NAM/GJD)

DIVERSI-TECH, CORP.,

Defendant.

STATEMENT OF UNDISPUTED MATERIAL FACTS

Pursuant to Local Rule 7.1(b)(2), Defendant Diversi-Tech Corporation (“Diversi-Tech”) contends that the following material facts are undisputed:

1. Plaintiff’s Complaint alleges that Defendant infringes unspecified claims of U.S. Patent 6,722,686 (“the ‘686 patent”). Complaint ¶¶ 1, 10.
2. According to the information stated on the first page of the ‘686 patent, Patent Application Serial No. 10/136,044 was filed on May 1, 2002. Muldoon Decl. Ex. E.
3. On August 28, 2000, Paul Budge, Manager of Diversi-Tech, had a notary public in the State of Utah, Diane McDaniel, sign and notarize one of his drawings depicting the prototype of his invention of a trailer coupler lock. A copy of the notarized drawing is attached to the Budge Declaration as Exhibit A, and a copy of the notary public’s log of notarizations for the period including August 28 , 2000, is attached to the Budge Declaration as Exhibit B. Budge Decl. ¶¶ 7-8.

4. After Plaintiff sued Diversi-Tech in this action, on April 19, 2005, Budge went back to the Ms. McDaniel, who notarized his original drawing and asked her to confirm that she had notarized the drawing on August 28, 2000. That is when she wrote the words “4-19-05 [dated] I did in fact notarize this originally on 8-29-00 [signed] Diane McDaniel” on a copy of the drawing. Budge Decl. ¶ 8.

5. In the summer and fall of 2000, Budge built several versions of a prototype of his first lock design. Budge Decl. ¶ 9.

6. On numerous occasions starting in approximately August 2000 and continuing through at least April 2001 (12 months prior to the filing date of the ‘686 patent application), Budge showed prototypes of his lock design to numerous local dealers in St. George and in the Greater Salt Lake City region for them to show to their customers and to provide back to him input on his design. Budge Decl. ¶¶ 10-13.

7. A photograph of one of Budge’s early prototypes of his lock design built between the summer and fall of 2000 and of the type that Budge showed to local dealers is attached to the Budge declaration as **Exhibit C**. Budge Decl. ¶ 10.

8. The dealers that Budge showed the prototype of his first coupler lock design included TJ’s Rentals and U-HAUL, in St. George; Dixie Automotive and Trailer Sales, in St. George; Petersen Marine, in Ogden, UT; Big Bubba’s Trailers, in Ogden; T.J’s Trailers in Ogden, and Wasatch Trailers in Layton, UT. Budge Decl. ¶ 11.

9. In addition to showing these dealers his prototype lock, Budge also gave samples of the prototype to TJ’s Rental and U-HAUL, and Dixie Automotive for them to display in their stores in St. George and show to their customers. Budge Decl. ¶ 12; Jon

Rimer Decl. ¶¶ 2-5; James Rimer Decl. ¶¶ 2-5; Brian Musgrave Decl. ¶¶ 2-6; and Larry Musgrave Decl. ¶¶ 2-6.

10. The prototype lock that TJ's Rentals and U-HAUL displayed had a U-shaped shackle, the ends of which fit into holes in the lock base. Only one leg of the shackle had serrations that were used to adjust the height of and lock the shackle. The lock had a built in key mechanism in the base. Jon Rimer Decl. ¶ 3; James Rimer Decl. ¶ 3; Brian Musgrave Decl. ¶¶ 3-4; Larry Musgrave Decl. ¶¶ 3-4.

11. The prototype lock that was displayed by TJ's Rentals and U-HAUL in 2000 looked substantially the same as the lock depicted in the drawing notarized on August 28, 2000, a copy of which attached to the Rimer and Budge Declarations as Exhibit A. Jon Rimer Decl. ¶¶ 4-5; James Rimer Decl. ¶¶ 4-5.

12. The display of Budge's lock generated a lot of customer interest at TJ's Rental and U-HAUL. Jon Rimer Decl. ¶ 4; James Rimer Decl. ¶ 4.

13. The prototype lock that Dixie Automotive displayed in its store had a U-shaped shackle, the ends of which fit into holes in the lock base. One leg of the shackle had serrations that were used to adjust the height of and lock the shackle. The lock had a built in key mechanism in the base. Brian Musgrave Decl. ¶¶ 4-6; Larry Musgrave Decl. ¶¶ 4-6.

14. Budge's lock that was displayed in Dixie Automotive during late 2000 and early 2001 looks substantially the same as the lock depicted in the drawing notarized on August 28, 2000, a copy of which attached to the Musgrave and Budge Declarations as Exhibit A. Brian Musgrave Decl. ¶¶ 4-6; Larry Musgrave Decl. ¶¶ 4-6.

15. Brian and Larry Musgrave of Dixie Automotive displayed Budge's prototype lock at the annual Country Christmas Western Gift Expo held during the National Finals Rodeo in December 2000 in Las Vegas, Nevada. Brian Musgrave Decl. ¶ 3; Larry Musgrave Decl. ¶ 3; Budge Decl. ¶ 12.

16. After the Expo and Rodeo, Budge picked up his prototype from Dixie Automotive and the Musgraves provided Budge with input from the people they showed the lock to at the Expo. Budge Decl. ¶ 12.

17. Budge did not have any of the dealers he showed his prototype to or who displayed his prototype in their stores and at the Expo sign any type of agreement with respect to these products, including expressly any type of confidentiality agreement to keep the prototypes or designs secret. Budge Decl. ¶ 13.

18. Budge does not have any personal or family relationship with any of the dealers to whom he showed his prototype or those who displayed the prototype in their shops or at the Country Christmas Expo. Budge Decl. ¶ 13.

19. Based on feedback from these dealers, in mid-2001, Budge refined his coupler lock by (a) widening the body and shackle to fit several wide versions of trailer couplers, (b) added a multi-step uni-ball that accommodated all ball socket sizes between 1 - 7/8" to 2 - 5/16" and (c) added the security of a second locking slide to lock both legs of the shackle. Budge Decl. ¶ 20.

20. On August 10, 2001, Budge had another notary public and his patent attorney sign or witness a copy of a drawing of this refined design. A copy of this notarized drawing is attached to the Budge declaration as **Exhibit D**. Budge Decl. ¶ 20.

21. The level of ordinary skill in the art of locks and security devices, including trailer coupler locks, is a person with at least three years of experience in mechanical design. Budge Decl. ¶ 2.

22. The prior art related to locks and security devices, including trailer coupler locks, is a crowded art with numerous patents predating the filing date of the '686 patent of May 1, 2002. Muldoon Decl. ¶ 9.

23. The prototype of Budge's first lock design is prior art to the '686 patent under 35 U.S.C. 102(a) and (b). Budge Decl., *passim*.

24. The prototype of Budge's first lock design has no significant differences from the claims of the '686 patent. Budge Decl. ¶¶ 14-19, Exhibits A and C.

25. In addition to the prototype of Budge's first lock design, the prior art includes:

- a. Locks utilizing adjustable U-shaped shackles and bases are well known in the art. *See, e.g.*, U.S. Patent Nos. 1,380,720; 4,773,239 and 5,438,854 (Muldoon Decl. Exs. G, K and N).
- b. Shackles incorporating inclined grooves engaging with a locking pin well known in the art. *See, e.g.*, U.S. Patent Nos. 5,921,115 and 5,277,042 (Muldoon Decl. Exs. O and L).
- c. Trailer coupler locks using ball shaped plugs are well known in the art. *See, e.g.*, U.S. Patent Nos. 3,605,457; 4,141,569 and 5,433,468 (Muldoon Decl. Exs. I, J and M).

- d. Trailer coupler locks using integral keyed locking mechanisms are well known in the art. *See, e.g.*, U.S. Patent Nos. 3,526,110; 3,605,457 and 4,141,569 (Muldoon Decl. Exs. H, I and J).

Dated: June 7, 2005

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CERTIFICATE OF SERVICE

I hereby certify that on June 7, 2005, I electronically filed the Statement of Undisputed Material Facts with the Clerk of the District Court using the CM/ECF system, which sent notification of such filing to the following:

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